

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 STR-04 AID-05 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 /060 W

-----031025Z 035975 /20

R 030900Z FEB 77

FM AMEMBASSY BERN

TO SECSTATE WASHDC 3855

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EO 11652: N/A

TAGS: ETRD, SZ

SUBJ: ASSISTANCE TO SEMICONDUCTOR AND SUBSIDIARY ELECTRONIC WATCH
INDUSTRY BY FOREIGN GOVERNMENTS - SWITZERLAND

1. THE SWISS FEDERAL GOVT HAS NO PROGRAMS PROVIDING SPECI-
FICALLY AND EXCLUSIVELY FOR FINANCIAL OR TECHNOLOGICAL
ASSISTANCE FOR THE SEMICONDUCTOR INDUSTRY OR PRODUCERS OF
ELECTRONIC WATCHES, AND WE HAVE BEEN UNABLE TO DISCOVER
ANY NATIONAL GOVT THAT DOES. HOWEVER, THE STEPS DESCRIBED
BELOW HAVE BEEN TAKEN TO ASSIST THE WATCH INDUSTRY.

2. AS WE NOTED IN BERN A74 (PARA 2, PAGE 10), SF 6 MILLION
(ABOUT US \$2.4 MILLION) WAS TO BE CHanneLED THROUGH THE
ELECTRONIC WATCH CENTER IN NEUCHATEL AND EBAUCHES SA, EAR-
MARKED FOR APPLIED RESEARCH IN MICROELECTRONICS.
THESE FUNDS WERE PROVIDED IN THE COURSE OF 1976, IN THE
FORM OF EQUAL CONTRIBUTIONS OF US \$800,000 EACH BY THE
SWISS GOVT (THOUGH THE FEDERAL COMMISSION FOR THE
PROMOTION OF SCIENTIFIC RESEARCH), THE GOVT OF THE
CANTON OF NEUCHATEL (A REGION ACCOUNTING FOR A LARGE
PERCENTAGE OF SWISS WATCH PRODUCTION), AND A POOL OF
PRIVATE FIRMS UNDER THE AEGIS OF THE SWISS WATCH CHAMBER
AND THE SWISS WATCH FEDERATION. THE FUNDS WERE USED
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TO PROVIDE ASSISTANCE IN R&D FOR ALL WATCH PRODUCTS, WITH
EMPHASIS ON ELECTRONICS. ONE HUNDRED AND TWENTY PRIVATE
COMPANIES EXPRESSED AN INTEREST IN OBTAINING FUNDS UNDER
THIS EMERGENCY ALLOCATION AND APPLICATIONS FOR SIXTY-FIVE
SPECIFIC R&D PROJECTS WERE FILED. MOST OF THE AID WENT
TO ESTABLISHED RESEARCH ORGANIZATIONS OF THE WATCH INDUSTRY,
E.G., THE WATCH RESEARCH LABORATORY AT NEUCHATEL.

3. THE SWISS GOVT HAS REPEATEDLY STRESSED THE NEED FOR MORE AND BETTER R&D IN THE WATCH INDUSTRY, WITH EMPHASIS ON INNOVATION AND DIVERSIFICATION, AND LABOR LEADERS AND GOVT LEADERS IN SOME REGIONS AFFECTED BY THE CRISIS IN THE WATCH INDSTRY HAVE URGED A POLICY OF GOVT SUPPORT FOR THE MICROELECTRONICS INDUSTRY, SIMILAR TO PLANS WE UNDERSTAND ARE NOW BEING IMPLEMENTED IN FRANCE AND THE FRG. A WORKING GROUP ESTABLISHED IN THE LATTER PART OF 1976 BY THE FEDERAL DEPT OF PUBLIC ECONOMY CONDUCTED A POLL OF 2,000 FIRMS IN THE WATCH INDUSTRY, IN RESPONSE TO WHICH 180 STATED A BASIC INTEREST IN R&D PROGRAMS. THE WORKING GROUP ANNOUNCED PROGRAM IN MID-JAN WHICH INCLUDES THE FOLLOWING ELEMENTS: (NOTE: THIS PROGRAM IS SEPARATE FROM AND IN ADDITION TO THE EMERGENCY MEASURES DESCRIBED IN PARA 2)

A) ECONOMIC DIVERSIFICATION IN REGIONS WITH STRONG WATCH INDUSTRY CONCENTRATION WILL BE PROMOTED (ASSISTANCE TO BE CHanneLED THROUGH EXISTING TECHNICAL SCHOOLS AND WATCH INDUSTRY ORGANIZATIONS, THROUGH CANTONAL GOVERNMENTS AND TWON COUNCILS, AND THROUGH THE FEDERAL COMMISSION FOR PROMOTION OF SCIENTIFIC RESEARCH);

B) ORGANIZATIONS LISTED IN (A) TO WORK TOGETHER TO COORDINATE WATCH R&D;

C) SAME ORGANIZATIONS ALSO TO COORDINATE WATCH PRODUCTION LIMITED OFFICIAL USE

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AND MARKETING;

D) A JOINT INVESTMENT COMPANY WILL BE ESTABLISHED WITH PARTICIPATION OF THE WATCHMAKING CANTONS AND TWON COUNCILS, PRIVATE BANKS, THE INDUSTRY, AND, TO A LIMITED EXTEND, THE SWISS GOVT, FOR PURPOSE OF FINANCING NEW FIRMS AS WELL AS NEW VENTURES BY EXISTING FIRMS.

WE UNDERSTAND AMOUNT TO BE EXPENDED ON INDIVIDUAL PROJECTS UNDER A AND D WILL NOT EXCEED \$200,00 PER PROJECT. TOTAL AMOUNT TO BE MADE AVAILABLE HAS NOT BEEN DISCLOSED.

4. COMMENT: EMPLOYMENT IN THE SWISS WATCH INDUSTRY DECREASED BY 18 PERCENT FROM THE END OF 1974 TO THE END OF 1975. THE WORKING GROUP EXPECTS ANOTHER DECREASE OF 20 PERCENT BY 1980. THE PACKET OF MEASURES ADVOCATED BY THE WORKING GROUP IS PRIMARILY AIMED AT HALTING EMIGRATION AND AT MAINTAINING EMPLOYMENT AND

PREVENTING DETERIORATION OF COMMUNITY LIFE IN
LOCALITIES DEPENDENT ON WATCHMAKING.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRY, FOREIGN ASSISTANCE, WATCHES, SEMICONDUCTOR DEVICES, SUBSIDIES
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BERN00457
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770038-1035
Format: TEL
From: BERN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770278/aaaacqyl.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a7db32cc-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3422718
Secure: OPEN
Status: NATIVE
Subject: ASSISTANCE TO SEMICONDUCTOR AND SUBSIDIARY ELECTRONIC WATCH INDUSTRY BY FOREIGN GOVERNMENTS - SWITZERLAND
TAGS: ETRD, SZ, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/a7db32cc-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009